

SERVICE DATE - JUNE 22, 2001

SURFACE TRANSPORTATION BOARD

DECISION

STB Finance Docket No. 34055 (Sub-No. 1)

UNION PACIFIC RAILROAD COMPANY—TRACKAGE RIGHTS EXEMPTION—
THE BURLINGTON NORTHERN AND SANTA FE RAILWAY COMPANY

Decided: June 21, 2001

By petition filed June 6, 2001, Union Pacific Railroad Company (UP) and The Burlington Northern and Santa Fe Railway Company (BNSF) (collectively, petitioners) request that the Board permit the trackage rights arrangement exempted in STB Finance Docket No. 34055¹ to extend only until June 22, 2001.

According to petitioners, the trackage rights arrangement exempted in STB Finance Docket No. 34055 is necessary because UP will be performing maintenance work on its rail lines and UP will utilize the trackage rights over BNSF's line as an alternate route for UP's traffic during that time. However, petitioners state that BNSF is only willing to grant temporary operating rights on its trackage during the periods of maintenance activity on UP's trackage. Petitioners maintain that, without approval of temporary trackage rights, it is unlikely that any other arrangement can be reached to allow UP to operate over BNSF's line, and UP would face the possibility of severe operational problems on the trackage for which maintenance is scheduled.

DISCUSSIONS AND CONCLUSIONS

Although the parties have expressly agreed on the term of the proposed trackage rights arrangement, trackage rights approved under the class exemption normally remain effective indefinitely regardless of any durational contract provisions. Occasionally, trackage rights

¹ On June 6, 2001, UP filed a notice of exemption under the Board's class exemption procedures at 49 CFR 1180.2(d)(7). The notice covered the agreement by BNSF to grant temporary overhead trackage rights to UP over 175 miles of BNSF's rail line as follows: (1) between Shawnee Jct., WY, BNSF milepost 117.1, and Bridger Jct., WY, BNSF milepost 127.3 (Orin Subdivision); (2) between Bridger Jct., BNSF milepost 133.2, and East Guernsey, WY, BNSF milepost 91.7 (Canyon Subdivision); (3) between East Guernsey, BNSF milepost 91.7, and Northport, NE, BNSF milepost 0.0 (Valley Subdivision); and (4) between Northport, BNSF milepost 33.8, and Sidney, NE, BNSF milepost 75.4 (Angora Subdivision). See Union Pacific Railroad Company—Trackage Rights Exemption—The Burlington Northern and Santa Fe Railway Company, STB Finance Docket No. 34055 (STB served June 18, 2001). The trackage rights agreement is scheduled to expire June 22, 2001. The trackage rights operations under the exemption became effective and were scheduled to be consummated on June 13, 2001.

exemptions have been granted for a limited term rather than in perpetuity. See Union Pacific Railroad Company–Trackage Rights Exemption–The Burlington Northern and Santa Fe Railway Company, STB Finance Docket No. 33948 (Sub-No. 1) (STB served Nov. 22, 2000); Union Pacific Railroad Company–Trackage Rights Exemption–The Burlington Northern and Santa Fe Railway Company, STB Finance Docket No. 33879 (Sub-No. 1) (STB served June 23, 2000), The Burlington Northern and Santa Fe Railway Company–Trackage Rights Exemption–Union Pacific Railroad Company, STB Finance Docket No. 33833 (Sub-No. 1) (STB served Feb. 4, 2000); The Burlington Northern and Santa Fe Railway Company–Trackage Rights Exemption–The Union Pacific Railroad Company, STB Finance Docket No. 33699 (Sub-No. 1) (STB served Feb. 5, 1999).

Under 49 U.S.C. 10502, we may exempt a person, class of persons, or a transaction or service, in whole or in part, when we find that: (1) continued regulation is not necessary to carry out the rail transportation policy of 49 U.S.C. 10101; and (2) either the transaction or service is of limited scope, or regulation is not necessary to protect shippers from the abuse of market power.

UP's trackage rights have already been authorized under the class exemption at 49 CFR 1180.2(d)(7). See Railroad Consolidation Procedures, 1 I.C.C.2d 270 (1985). Limiting the term of the trackage rights is consistent with the limited scope of the transaction previously exempted and will have no adverse impact on shippers on the line as the trackage rights that are the subject of the exemption are for overhead traffic only. Therefore, we will grant the petition and permit the trackage rights exempted in STB Finance Docket No. 34055 to expire on June 22, 2001.

Usually, an order granting a petition for exemption is made effective 30 days from the date of service granting the exemption. As the relief requested pertains to an intended cessation of trackage rights on June 22, 2001, we will shorten the effective date of the decision from the normal 30-day period in order to accommodate the parties.

This action will not significantly affect either the quality of the human environment or the conservation of energy resources.

It is ordered:

1. Under 49 U.S.C. 10502, we exempt the trackage rights described in STB Finance Docket No. 34055, as discussed above, to permit the trackage rights to expire on June 22, 2001.
2. Notice will be published in the Federal Register on June 28, 2001.

3. This decision is effective on June 22, 2001.

By the Board, Chairman Morgan, Vice Chairman Clyburn, and Commissioner Burkes.

Vernon A. Williams
Secretary